Labour Market Notes

Labour market loses resiliency

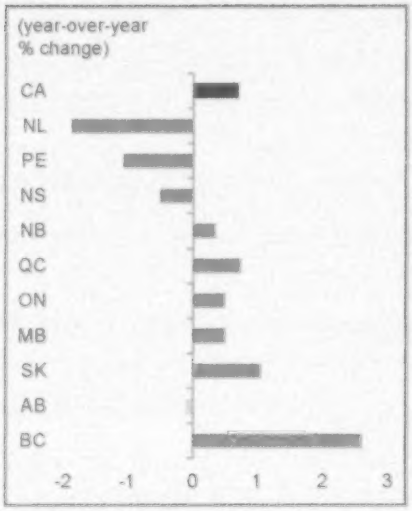
Alberta

- Employment falls again in November. Alberta employment declined by 14,900 this month, the largest decline in just over a year.
- Private sector loses more jobs. Employment was pulled down by private sector losses of 8,700, and self-employment losses of 9,000. Public sector employment increased by 2,900. Part-time employment fell by 24,800, while full-time employment (+9,900) was up in November.
- Service sector employment tumbles. Employment losses were concentrated in the service sector (-19,800). Industry losses were led by transportation and warehousing (-6,200), accommodation and food services (-3,900), information, culture and recreation (-3,900), and finance, insurance, real estate and leasing (-3,400). Goods sector employment was up by 4,900. Since December 2014, the service sector has added 18,600 jobs, while jobs in the goods sector have fallen by 29,300.
- Unemployment rate jumps. Alberta's unemployment rate rose 0.4 percentage points to 7.0% in November and is now close to the national average. The unemployment rate is now 2.5 percentage points higher than in January.
- Employment growth negative. Year-over-year (y/y) growth in employment has been falling this year and was down 0.1% in November, the first decline since December 2010.
- Earnings continue to be weak. Average weekly earnings increased 0.6% from the previous month to $1,136 in September, after seven consecutive months of declines. Despite the monthly improvement, earnings growth was down 1.5% y/y, due to a 4.0% y/y decline in goods sector earnings which more than offset the 1.4% y/y growth in services. Year-to-date, Alberta earnings are up only 0.3%.

Canada

- Canadian job losses partially offset previous gain. Employment fell by 35,700 jobs in November. Eight out of ten provinces experienced declines in employment, led by Alberta and Ontario (-6,400). Canada has added 124,000 jobs from November 2014, a 0.7% y/y gain.
- Unemployment rate ticks up. The Canadian unemployment rate increased by 0.1 percentage points to 7.1% in November.
- Canadian earnings jump up in September. Canadian average weekly earnings increased 1.0% from the previous month to $955. Growth was up 1.7% y/y, recovering from last month's muted growth. Alberta was the only province to experience negative growth. Year-to-date, Canadian earnings were up 1.9%.

Employment Growth by Province, November 2015 vs. November 2014



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,289,500
month-over-month change	14,900
year-over-year % change	-0.1%
Alberta Unemployment Rate (UR)	7.0%
Edmonton UR**	6.1%
Calgary UR**	6.9%
Participation Rate	72.9%
Average Weekly Earnings (AWE)	$1,135.87
year-over-year % change	-1.5%
Average Hourly Wage	$29.48
year-over-year % change	6.3%
Job Vacancy Rate***	1.6%

Source: Statistics Canada

* All data is from the November 2015 Labour Force Survey, except AWE which is the September 2015 Survey of Employment, Payrolls and Hours, and the Job Vacancy Rate is for August 2015.

** This indicator is calculated as a three-month moving average and is seasonally adjusted.

*** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

Alberta Government

December 4, 2015
Treasury Board and Finance
Economics and Revenue Forecasting

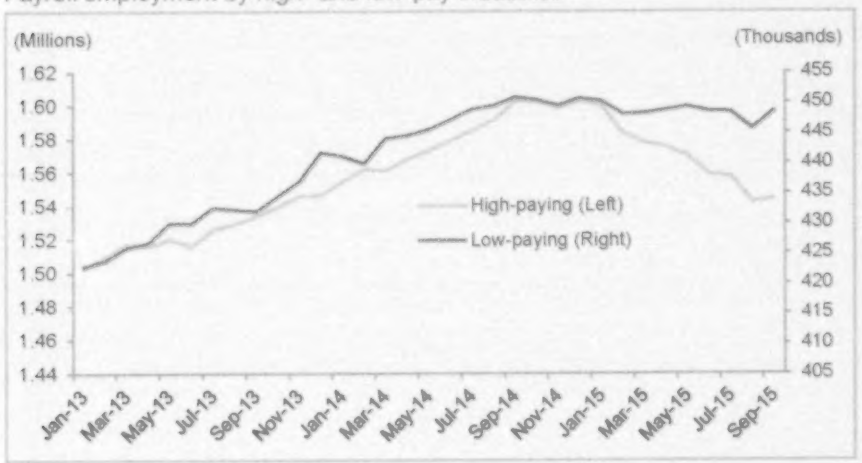
Alberta job losses concentrated in high-pay sectors

Since December 2014, payroll employment reported in the Survey of Employment, Payroll and Hours (SEPH) has fallen by 60,023. The decline in jobs has been mostly in the high-pay industries, as these industries were hit the hardest by declines in energy investment. This month's Labour InSight looks at job losses in high-pay industries.

Employment losses dominated by high-pay industries

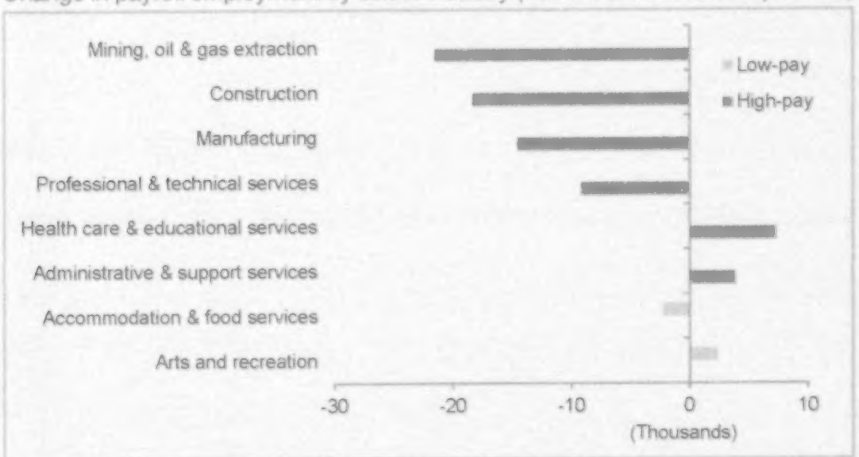
High-pay industry jobs, with average weekly earnings greater than Alberta's 2013 median employment income, accounted for 78% of payroll employment in 2014. Since December 2014, payroll employment has fallen by 2.9%, with 96% of these losses coming from high-paying industries (Chart 1).

Chart 1: Job losses in high-pay sectors make up most of payroll declines
Payroll employment by high- and low-pay industries



Source: Statistics Canada

Chart 2: Losses are concentrated in the highest paid sectors
Change in payroll employment by select industry (from Dec. 2014 and Sept. 2015)



Source: Statistics Canada

Highest paid lose most jobs

The largest payroll employment losses since the end of 2014 are among the industries with the highest earnings: mining, oil and gas extraction (-21,555), construction (-18,305), manufacturing (-14,510), and professional and technical services (-9,159) (Chart 2). Earnings in these high-pay sectors are at least 55% higher than Alberta's median employment income. Other high-pay industries, such as in administrative and support services, health care and social assistance, and educational services, have gained jobs.

More energy jobs lost

Earnings in the mining, oil and gas extraction industry are the highest, and are over 2.5 times Alberta's median employment income. Over one-third of the decline in total payroll employment since the end of 2014 were in the mining, oil and gas extraction industry. This decline has surpassed those in the 2008/09 downturn by over 5,000 jobs.

Low-pay losses minimal

There has been a smaller decline in low-pay industries during this downturn; they are down 2,105 positions. The tight labour market in these low-pay industries prior to the fall in oil prices has likely kept employment from falling significantly, as most companies refrained from hiring rather than letting go of employees.

Summary

Larger declines in energy-related employment are the result of a more protracted decline in oil prices. The sharp decline in these high-pay jobs affects proportionately more household income and spending in the province.

Have a question or idea for Labour InSight? Send us an *email*.

Contact

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